

November 21, 2008

Mr. Marc Barreca
K&L Gates LLP
925 Fourth Ave., Suite 2900
Seattle, WA 98104-1158

VIA EMAIL

Re: Gen Con LLC

Dear Marc:

As we have discussed, both the Debtor and the Creditors' Committee have a fiduciary obligation to consider the best interests of Gen Con's creditors in considering any reasonable alternatives to reorganize this Debtor. We are in receipt of a November 20, 2008, "Letter of Intent" from Gen Con Acquisition Group, for purchase of all the assets of Gen Con. We write to inform you of our present intent to disregard this letter, and to continue toward confirmation of a plan substantially similar to that filed with the Court on October 17, 2008.

Ms. Adrian Swartout, President of Gen Con, has analyzed the offer and has written a response. I enclose an unedited version for review by you and your Committee. In addition, allow me to point out that I have requested clarification from the Gen Con Acquisition Group on several points, including the identity of group members, the source of their financing, their business plan, and similar items.

The offer was clearly timed to disrupt the Debtor's ability to get a Plan confirmed. Given that the membership of the offeror is not disclosed, there is no reason to believe that it is anything more than an attempt to prevent Gen Con from reorganizing. The proposed bid terms support this view. A \$250,000 overbid is clearly designed to dissuade, not encourage, bidding. A \$50,000 break up fee is unlikely to be approved in our district. Moreover, three business days seems insufficient time to conduct proper due diligence, particularly when no effort has been made to contact the company directly and there is no business relationship in place.

Although the Debtor would certainly be duty-bound to consider carefully an all-cash offer that would provide a significant return to creditors, the letter of November 20 does not present any such offer. Nothing in this offer indicates that payments would be made significantly faster than proposed in the Plan. Presumably, the Debtor would still have to confirm a plan to distribute the funds as the payments came in. On Closing at the end of the year, the Buyer would give the Debtor \$500,000 and would pay Make-a-Wish. Another \$400,000 would be paid 30 days later. The Buyer would *take* the cash, so I'm not sure where any "new money" benefits the creditors beyond the additional \$300,000 to be paid earlier under this proposal. Weighed against the risk of Gen Con's failure, as set

out in Adrian's memo, it seems the possible benefit to creditors in this proposal does not warrant delaying plan confirmation.

Thank you for your attention to this correspondence. We would be happy to speak with you further, to meet, or to convene a conference call with the Committee at your convenience.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Shelly', followed by a long horizontal flourish.

Shelly Crocker

cc: Adrian Swartout
Chris Dale

I have considered the offer from the Gen Con Acquisition Group and respectfully decline. The offer is unacceptable. Given the date of submission, the lack of prior outreach from this group, and overt omission of intentions regarding management of business operations it is clearly hostile. It's suspiciously cryptic in terms of lack of letter of introduction, good will, or summary of intentions for forward management and opportunities for current staff.

There is zero information on the makeup of this acquisition group – who are they? What is their business background? Are they capable of running an event management company? Are they credit worthy? How would they manage the business? How would they handle business decisions and potential conflicts within the group? The clause regarding assignment of buyer's rights would allow the original buyer to flip the company for immediate profit. Perhaps that's why there is no formal structure presented here. It doesn't say that the new business entity is owned in whole or part by the original buyer.

Timing

The timing of the offer and further negotiation will directly impact Gen Con's ability to execute a successful 2009 show. We are currently in the process of recruiting a new exhibits sales manager to replace the sales person who resigned last spring. We must fill this position by the end of the year to ensure adequate training time and an appropriate sales cycle with dedicated resources. We cannot in good conscience recruit a new employee with a potential hostile takeover on the table. Each day we are forced to wait impacts our ability to meet our exhibit, sponsorship and advertising revenue goals.

The timing of the due diligence and closing of the deal is not reasonable or feasible and clearly tells me how little understanding this group has of the Gen Con business and its operating cycles. I have gone down this road multiple times last year when we were looking to recapitalize the company. We talked with reputable and well funded companies in the event management business that passed on Gen Con as a solid opportunity once due diligence and extensive financial review began. The event management business is difficult, challenging and different from almost any other type of business as evidenced by prior unsuccessful attempts to grow the business and the devastating financial impact of one unsuccessful event. Even within the event management industry Gen Con is a unique business and operational model and the most critical component to its future success is the ability of the current seasoned management team and staff to continue to run the business as we have effectively established we can. Our experience is invaluable in navigating the challenges and pitfalls within the event industry.

Fan & Industry Reaction

In the gaming community Peter is a quasi-celebrity who has made great contributions to the industry. He launched the company that introduced the trading card game genre and a subsequent financial renaissance within the hobby game industry. He saved D&D when he acquired TSR and he saved Gen Con twice – once with the TSR acquisition and once when bought Gen Con from Wizards of the Coast. While there are certainly people within the fan and industry community who do not support or care for Peter and would even like to see him removed as owner of Gen Con, we must also acknowledge that there are as many if not more who respect him and who are loyal to him personally. A hostile takeover ousting Peter is a risky proposition – the public and industry backlash could be extensive and could impact the future success of Gen Con as an ongoing concern.

Volunteer Base

Gen Con relies extensively upon a group of over 100 long time volunteers – some of which have been volunteering at Gen Con for over 10 years. These volunteers are like family to the current Gen Con

management team and are extremely loyal to the team and even more so to Peter Adkison. Given the hostile nature of this offer, its most likely Gen Con would lose the support of these volunteers who are critical to effectively execute and operate the show.

Future Management

I have worked diligently and in cooperation with creditor committee throughout this process. With the creditor's best interests in mind, I have put together a strong and reasonable plan to service 100% of Gen Con's debt over the next 4-5 years with interest. I have proven myself as a competent leader with a clear vision and the ability to manage the Gen Con business effectively and profitably. I will resign effective immediately if this offer is forced upon us as I will not work for the group who orchestrated such an unacceptable and amateurish offer. Without myself and key staff, Gen Con's future ability to generate profits to service its debt is greatly compromised.

While there is reference to an infusion of cash initially, clearly the intention is to use profits from the business to service the debt. As a matter of fact – the payment terms are an incremental increase over the amounts in my reorganization plan. It is my professional opinion that entrusting Gen Con's management and future profitability to a group of unknown and unscrupulous individuals is a high risk proposition with far too many negative implications and is therefore not in the best interests of the creditors. I would be remiss in my fiduciary responsibility to Gen Con's creditors to further discuss, much less accept this offer.